

1. OSS operated combined printing and reproduction plant from 1942 through 1945. Printing equipment, i.e., letter press and linotype machines, operated with approval of Joint Committee on Printing.

2. Based on transfer of Research and Analysis Branch, OSS (equivalent of ORR and ONE), OSS plant was transferred to State Department in January, 1946, over objections of representatives of SSU.

3. In November, 1946, it was necessary for CIG to set up its own reproduction plant, not including printing.

4. The former OSS plant converted by GPO to a plant for printing only and operated for benefit of State and CIA. Other agencies have participated in use of plant but to the extent of not more than 5 per cent of the total production. Other agencies include AEC and NSRB.

5. In October, 1949, due to lack of adequate space for the GPO plant and necessity for increasing size of reproduction plant, first proposal was made to GPO to consolidate in one location both reproduction and printing. Proposal rejected by GPO.

6. In January, 1950, the Director, CIA, approved relocation of reproduction facilities in a building to be erected in Rosslyn, Virginia. Construction of building disapproved by Bureau of the Budget on the advice of NSRB based on planning for dispersal of agencies in Washington.

7. About this time, proposal made to the Bureau of the Budget that GPO plant be merged with CIA reproduction. Bureau of the Budget informally approved, subject to approval by the Joint Committee on Printing. Mr. Pforzheimer took up the proposal with representatives of the Joint Committee on Printing, who stated they had no objection if proposal was concurred in by the Public Printer. Proposal taken up with representatives of the Public Printer, and no agreement could be reached.

8. In September, 1950, the plant in [REDACTED] was leased with approval of the Director, CIA, for relocation of reproduction facilities. After signing of lease, plans and specifications were prepared for installation of utilities required and contract was awarded by Public Buildings Service in December, 1950, in the total sum of \$198,888.

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9. In December, 1950, Mr. William H. Walling reviewed plans and justification for the merger of GPO and CIA plants and inspected existing conditions in both. Based on this review and inspection, recommendation was made to DD/A to proceed with proposal. Proposed physical lay-out of plant in [REDACTED] reviewed by printing engineer in New York at the request of Mr. Walling, who approved with minor qualifications.

10. In December, 1950, Mr. Walling contacted the Public Printer in regard to merging of GPO and CIA facilities under CIA control. Proposal concurred in informally by Public Printer. Proposal then taken to the Bureau of the Budget who approved subject to written agreement between CIA, Department of State, and AEC. Written agreement was prepared and signed by Mr. Carl Humelsine,

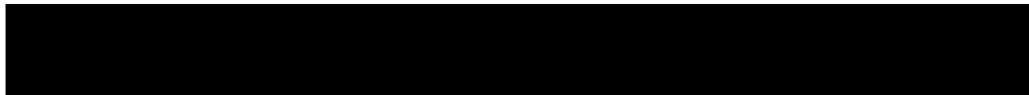
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Deputy Under Secretary - Administration, Department of State. AEC informally indicated they would not enter into the agreement (although AEC production is less than 2% of total), and the matter was taken up with the Bureau of the Budget. The Bureau of the Budget suggested that AEC not be included as a party to the agreement and that the situation be taken care of by amending the former agreement.

10. In January, 1951, the proposal of the Bureau of the Budget for amending the former agreement was taken up with Mr. Cole, Deputy Public Printer, who advised that GPO had changed its position and would not concur in the transfer of the printing plant to CIA. At the meeting with the Bureau of the Budget, Mr. McConnel, CIA, stated that CIA was dropping the matter of the merger of the printing plant with CIA reproduction plant and that when any one or all of the three following situations occurred, CIA would purchase its own printing equipment:

- a. Lack of adequate security in GPO plant.
- b. GPO unable to meet production requirements for Psychological Warfare Program.

c.



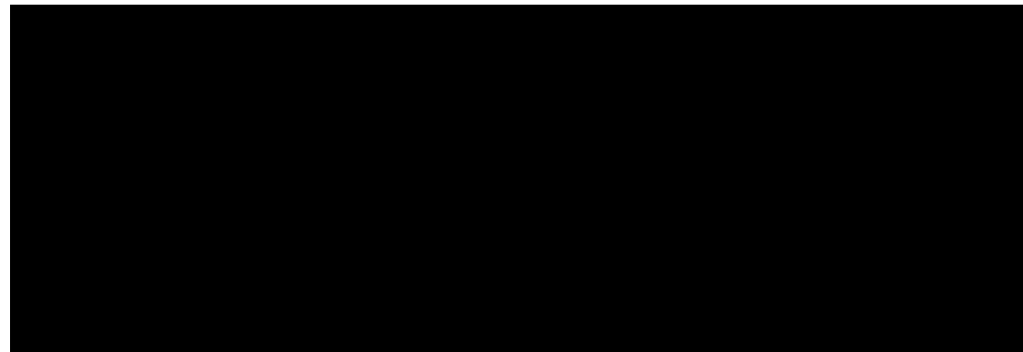
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11. A check has been made and it has been found that the resistance to the transfer of the GPO plant has been stirred up by Mr. Lefebvre, Chief, GPO Plant, and Mr. McWhorter, Field Service Manager, GPO. Otherwise, resistance would not exist, as the Public Printer and other GPO personnel are not concerned with the operation of such a small plant.

12. For the past several weeks, as a result of developing printing requirements of OPC, the following requirements have been developed:

- a. Training of a total of 50 printer personnel to consist of linotype operators, letter press operators, offset press operators, and photo-engravers and photographers. (These personnel could not be trained unless linotype and letter press equipment are available in the CIA plant.)

b.



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